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DIRECTOR
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SANITARY DISTRICT

ALTERNATE
JAMES W. SILVA
SUPERVISOR
SECOND DISTRICT

DANA M. SMITH
EXECUTIVE OFFICER

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

Project Title:

Proposed Rancho Santa Margarita Incorporation (IN 97-34); Consideration of Inclusion of Surrounding Communities within Incorporation Boundaries and/or Sphere of Influence; Adoption of a Sphere of Influence.

Lead Agency Name and Address:

Orange County Local Agency Formation Commission
12 Civic Center Drive, Room 235
Santa Ana, California 92701

Contact Person and Phone Number:

Peter Banning, Consultant to LAFCO
Phone: (714) 834-2556; (415) 332-0611
Fax: (714) 834-2643

Project Description/Location:

The project indicated above calls for the incorporation of the planned communities of Rancho Santa Margarita and Rancho Trabuco, and a portion of O'Neill Regional Park, pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Title 5, Division 3, Part 2, California Government Code). The incorporation boundaries follow the planned community boundaries of Rancho Santa Margarita and Rancho Trabuco, both of which include portions of O'Neill Regional Park. The total amount of territory to be incorporated is approximately 5,000 acres. Rancho Santa Margarita is located in southern Orange County, in the foothills of the Santa Ana Mountains, east of the City of Mission Viejo, west of the unincorporated communities of Robinson Ranch and Coto de Caza, and north of the unincorporated community of Las Flores.

The Commission has the statutory authority to approve the proposal with modifications, including changes to boundaries. Accordingly, the Commission will consider the possible inclusion of surrounding unincorporated communities within the incorporation boundaries and/or sphere of influence. Any such changes to the city or sphere of influence boundaries would not result in any adverse environmental impacts.

The Orange County Local Agency Formation Commission (LAFCO) has determined that there is no substantial evidence that the project may have a significant effect on the environment, and a Negative Declaration has been prepared. LAFCO needs to know the views of your agency as to the scope and content of the environmental information which is germane to your agency's statutory responsibilities in connection with the proposed project.

Notice of Intent to Adopt a Negative Declaration:
Rancho Santa Margarita Incorporation (IN 97-34)
May 5, 1999
Page 2

In accordance with the time limits mandated by State law, the required public review period during which comments will be received on the proposed Negative Declaration will begin **May 8, 1999** and end **June 6, 1999**. Please send your response to Peter Banning, Consultant to LAFCO, at the address shown above. We will need the name for a contact person in your agency. Copies of the proposed Negative Declaration are available for review at the following locations:

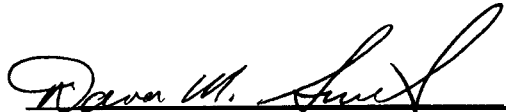
Local Agency Formation Commission
12 Civic Center Plaza, Room 235
Santa Ana, CA

Orange County Library – Rancho Santa Margarita Branch
30902 La Promesa
Rancho Santa Margarita, CA

Mission Viejo Library
25209 Maguerite Parkway
Mission Viejo, CA

Santa Margarita Water District
26 111 Antonio Parkway
Rancho Santa Margarita, CA

May 4, 1999
Date



Dana M. Smith,
Executive Officer

NEGATIVE DECLARATION

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The Orange County Local Agency Formation Commission (LAFCO) has conducted an Initial Study in determination of any significant environmental effects the following project may result in, and hereby finds that:

■ The proposed project will not have a significant effect on the environment, and therefore will not require the preparation of an Environmental Impact Report.

□ Although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures attached to this document have been added to the project, and therefore will not require the preparation of an Environmental Impact Report.

The above determination is based on, and supported by, the attached Initial Study which is hereby incorporated as part of this Negative Declaration.

LEAD AGENCY:

Orange County Local Agency formation Commission (LAFCO)
12 Civic Center Plaza, Room 235
Santa Ana, CA 92701

Contact: Peter Banning, Consultant to LAFCO (714) 834-2556; (415) 332-0611

PROJECT PROPONENT:

Rancho Santa Margarita Cityhood Committee

PROJECT DESCRIPTION/LOCATION:

The proposed project (IN 97-34) is the incorporation of the planned communities of Rancho Santa Margarita and Rancho Trabuco, including a portion of O'Neill Regional Park, pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Title 5, Division 3, Part 2, California Government Code). The proposed incorporation boundaries follow the planned community boundaries of Rancho Santa Margarita and Rancho Trabuco, both of which include portions of O'Neill Regional Park. The incorporation territory is located in southern Orange County in the foothills of the Santa Ana Mountains, east of the City of Mission Viejo, west of the unincorporated communities of Robinson Ranch and Coto de Caza, and north of the unincorporated community of Las Flores. Attached is a vicinity map of the subject territory depicting the proposed boundaries of the new city and the surrounding unincorporated boundaries.

The Commission has the statutory authority to approve the proposal with modifications, including changes to boundaries (Government Code §567375(a)). The Commission will consider the inclusion of surrounding unincorporated communities within the incorporation

* Negative Declaration: **Rancho Santa Margarita** Incorporation (IN 97-34)

The incorporation proposal also consists of the establishment of a sphere of influence for the new city. As described by Government Code Section 56076, the sphere is "a plan for the probable physical boundaries and service area of a local government agency." The Commission will consider the inclusion of surrounding unincorporated communities in the proposed sphere of influence, for possible future annexation. Inclusion of surrounding communities in the city's sphere of influence, and possible future annexation to the city, will not result in any adverse environmental impacts.

The stated purpose of the proposed incorporation is to provide local control and autonomy for the residents of **Rancho Santa Margarita** and **Rancho Trabuco**. The residents, through election of a city council, could set priorities for types and levels of service, and would capture revenue for local uses and increase opportunities for promoting the public health, safety, and welfare of the communities. The control of services which would be transferred to the new city upon incorporation include, but is not limited to, land use regulation, law enforcement, drainage, flood control, and road maintenance. Other services such as water and sewer will continue to be provided by special districts and would not be affected by proposed jurisdictional change.


NOTICE:

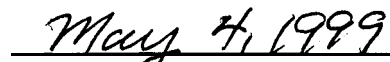
This environmental document, along with its supporting attachments, is hereby made available for review by the general public and can be found at:

**Local Agency Formation Commission
12 Civic Center Plaza, Room 235
Santa Ana, CA 92701**

Written comments for this Negative Declaration are invited by **LAFCO** to the above address (ATTENTION: PETER BANNING), and will be accepted until **June 6, 1999**. Comments received on or before the due date will be taken into consideration by the Commission prior to or during its hearing for the approval of the project and the adoption of this Negative Declaration. Comments should consist of the following:

- (a) Identification of environmental impacts not addressed in the Negative Declaration, including:
 - (i) Explanation for occurrence of impact; and
 - (ii) Explanation for significance of impact.
- (b) Suggested Mitigation measures to eliminate or reduce impacts to "less than significant" levels.
- (c) Sources or references supporting identification of, and explanations for, environmental impacts not addressed in the Negative Declaration.


Dana M. Smith
Executive Officer


Date

CEQA INITIAL STUDY

1. **Project Title:**
Proposed Incorporation of Rancho Santa Margarita (IN 97-34) and adoption of a Sphere of Influence.
2. **Lead Agency Name and Address:**
Orange County Local Agency Formation Commission
12 Civic Center Drive, Room 235
Santa Ana, California 92701
3. **Contact Person and Phone Number:**
Peter Banning, Consultant to Orange County LAFCO (714) 834-2556, (415) 332-0611
4. **Project Location:**
Rancho Santa Margarita and Rancho Trabuco are located in the foothills of the Santa Ana Mountains, east of the City of Mission Viejo, west of the unincorporated communities of Robinson Ranch and Coto de Caza, and north of the unincorporated community of Las Flores.
5. **Project Sponsor's Name and Address:**
Rancho Santa Margarita Cityhood Committee
31441A Santa Margarita Parkway, Box 102
Rancho Santa Margarita, CA 92688
6. **General Plan Designation:**
Rancho Santa Margarita (RSM) and Rancho Trabuco are designated as planned communities by the County of Orange. As specified in the County adopted development agreement for RSM and the County's development plan for Rancho Trabuco, RSM consists of a total of 47 planning areas and Rancho Trabuco consists of 11 planning areas, which include various residential, commercial, and open space uses. The planning areas are ordered by land use category as follows:

RANCHO SANTA MARGARITA (Build-out expected in 2003):

Planning Areas	Land Use Category	Gross Acreage
1 - 8	Medium Density Residential	403.5
10 - 21	Medium-High Density Residential	763.1
30 - 38	Open Space	1,703.8
40	Recreation	3.1
50 - 51	Neighborhood Commercial	24.1
60 - 64	Town Center	297.6
70 - 79	Business Park	504.3
Total Gross Acreage:		3,699.5

Source: EDAW – 1996/1997 RSM Annual Monitoring Report (May 1998)

RANCHO TRABUCO (Build-out expected in 1999):

Planning Areas	Land Use Category	Gross Acreage
1 - 5; 7 - 9	Medium Density Residential	588.5
6 & 10	High Density Residential	73.1
11	Open Space	564.0
Total Gross Acreage:		1,225.6

Source: EDAW – 1996/1997 Rancho Trabuco Annual Monitoring Report (May 1998)

RSM's 47 planning areas can be grouped into three major "neighborhoods": Eastlake, Golf Neighborhood, and Island Pasture. Eastlake is mostly residential, currently at build-out, and includes four schools, four local parks, and a neighborhood commercial site. The Golf Neighborhood, also built out, includes a golf course, three local parks, two schools, and residential neighborhoods. Island Pasture consists of mostly residential neighborhoods and includes a private school, open space, and a hilltop area that is expected to be developed in the future. RSM's projected build-out year is 2003. Rancho Trabuco is divided into two primary areas, Rancho Trabuco North and South, with the Foothill Transportation Corridor (Highway 241) running between the two areas. The planned community is almost completely residential with the exception of four small neighborhood parks, an elementary school, and open space lands. Rancho Trabuco is currently at build-out.

7. Zoning:

Zoning is designated by the County's community development plans for Rancho Santa Margarita and Rancho Trabuco and is consistent with the general plan land use designations discussed above. Each planning area's respective land use/zoning designation specifies the maximum allowable density for the planning area. Zoning designations include: Residential – Medium, Medium-High, and High Density; Commercial – Neighborhood Commercial, Town Center, and Business Park; Open Space – Neighborhood Park, Open Space and Recreation, and Public Facilities.

8. Description of Project:

The proposed project is the incorporation of the planned communities of Rancho Santa Margarita and Rancho Trabuco as a new city pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, as amended (Government Code §56000 et seq.). Although the developments of Rancho Santa Margarita and Rancho Trabuco were the subjects of two separate planned community applications, both were included in a single plan and designed to function as a single community with a broad range of housing types and land uses. For purposes of this analysis, both areas will be referred to under the name Rancho Santa Margarita.

Rancho Santa Margarita has a population of approximately 29,946 (January 1998) and total employment estimated at 9,400. Build-out population is estimated at 35,000 to 40,000. The community includes single family detached, condominium, and apartment housing. Present community facilities include eight parks, pedestrian and bicycle paths, 13 schools, a "Town Center" retail area (700,000 retail sq. ft. total), office park (1,885,000 sq. ft. total), and extensive open space areas. The total area included in the proposed incorporation boundaries is 4,997.

Incorporation of this area as a new city would transfer authority for certain municipal-type services from the jurisdiction of the County Board of Supervisors to a locally elected city council. The new city would provide services including general government (city council, manager, attorney & finance), land use planning and building inspection, police, animal control and solid waste disposal. Other municipal services would remain under the control and responsibility of current providers as detailed in the accompanying Table A (municipal service providers before and after incorporation). The proposed new city may provide limited recreational services. However, present and planned recreational facilities and programs in the project area are owned and operated by a private homeowner's association. City incorporation will have no effect on this service arrangement.

The new city will be required to adopt an ordinance providing that all county ordinances which were previously applicable to the incorporation territory will remain in full force and effect as city ordinances (Govt. Code §57376) prior to any other official act. The county ordinances will continue to govern the new city for an interim period of at least 120 days following incorporation, or until the

city council enacts city ordinances superseding the county ordinances, which ever occurs first.

The processing of the incorporation proposal will also include consideration of alternative boundaries and the establishment of a sphere of influence for the new city. As described in Government Code §56076, a sphere of influence is “a plan for the probable physical boundaries and service area of a local government agency.”

Incorporation boundary alternatives to be considered would result in the inclusion of additional planned communities in the new city at the time of incorporation. The adoption of a sphere of influence that includes territory beyond the proposed incorporation boundaries could result in the inclusion of additional planned communities in the City of Rancho Santa Margarita through annexation at some time following incorporation.

In both cases, planned communities to be considered for inclusion in either expanded incorporation boundaries or the new city’s sphere of influence include the following areas described below and shown on Map A.

<u>Area</u>	<u>Acres</u>	<u>Est. Population</u>	<u>Planned Population</u>
Rancho Santa Margarita (proposal area)	4,997	29,946	45,000
Robinson Ranch/Rancho Cielo	1,023	3,852	5,159
Dove Canyon	875	3,225	4,421
Coto de Caza/Wagon Wheel	5,244	8,623	15,600
Las Flores	1,005	1,982	5,400

The scope of development of each of the planned communities listed above (not including Las Flores and Rancho Trabuco) is governed by a development agreement between the County of Orange and each individual master developer. Each development agreement and related general plan amendments and zoning approvals have been the subjects of previous environmental review. If approved, the new city would succeed to, and be bound by the terms of the adopted development agreements.

Although there is no development agreement in place for the Las Flores planned community, the Board of Supervisors approved and adopted Land Use Element Amendment 1990-4 on December 5, 1990 (Resolution No. 90-1500) with a condition that the number of dwelling units in the planned community not exceed 2,500. EIR 506 was prepared and adopted for the Land Use Amendment and adequately addressed the environmental impacts of the land use approval.

For discussion purposes, Rancho Cielo and other small developments are included in any reference made to the planned community of Robinson Ranch. Although there is no development agreement in place for some of these developments, they are substantially built-out and are, therefore, not subject to significant foreseeable change. Upper Chiquita Canyon, located between Rancho Santa Margarita and Coto de Caza, north of Oso Parkway, may also be considered for inclusion in the proposed incorporation boundaries or sphere of influence. Almost all of the territory is currently under the ownership of the Transportation Corridors Agencies who have placed the territory in a conservation easement in perpetuity for biological conservation purposes. The territory is undeveloped and any unforeseeable changes in land use, ownership, or conservation will require adequate environmental review at that time.

9. Surrounding Land Uses and Setting:

Surrounding land uses are consistent with those of the incorporation territory and include O'Neill Regional Park and primarily residential uses within the unincorporated community of Las Flores to the south and the unincorporated communities of Coto de Caza and Robinson Ranch to the east. Other surrounding land uses include residential, public facilities (e.g., Upper Oso Reservoir), and open space/recreational uses within the City of Mission Viejo to the west.

10. Other agencies whose approval is required:

None.

Environmental Factors Potentially Affected:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “Potentially Significant Impact” as indicated by the checklist on the following pages.

- | | | |
|---|---|--|
| <input type="checkbox"/> Land Use and Planning | <input type="checkbox"/> Transportation/Circulation | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Utilities and Service Systems |
| <input type="checkbox"/> Geological Problems | <input type="checkbox"/> Energy and Mineral Resources | <input type="checkbox"/> Aesthetics |
| <input type="checkbox"/> Water | <input type="checkbox"/> Hazards | <input type="checkbox"/> Cultural Resources |
| <input type="checkbox"/> Air Quality | <input type="checkbox"/> Noise | <input type="checkbox"/> Recreation |
| | <input type="checkbox"/> Mandatory Findings of Significance | |

Determination:

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.



I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A NEGATIVE DECLARATION will be prepared.



I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.



I find that the proposed project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is “potentially significant impact” or “potentially significant unless mitigated.” An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.



I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because all potentially significant effects (a) have been analyzed adequately in an earlier EIR pursuant to applicable standards and (b) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project.



Dana M. Smith

Date

Executive Officer

EVALUATION OF ENVIRONMENTAL IMPACTS ENVIRONMENTAL CHECKLIST

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
I. LAND USE AND PLANNING. Would the proposal:				
a) Conflict with general plan designation or zoning?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with applicable environmental plans or policies adopted by agencies with jurisdiction over the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be incompatible with existing land use in the vicinity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Affect agricultural resources or operations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Disrupt or divide the physical arrangement of an established community (including a low-income or minority community)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
II. POPULATION AND HOUSING. Would the proposal:				
a) Cumulatively exceed official regional or local population	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Induce substantial growth in an area either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace existing housing, especially affordable housing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
III. GEOLOGIC PROBLEMS. Would the proposal result in or expose people to potential impacts involving:				
a) Fault rupture?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Seismic ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Seiche, tsunami, or volcanic hazard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
e) Landslides or mudflows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Erosion, changes in topography or unstable soil conditions from excavation, grading, or fill?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Subsidence of the land?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expansive soils?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Unique geologic or physical features?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

IV. WATER. Would the proposal result in:

a) Changes in absorption rates, drainage patterns, or the rate and amount of surface runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of people or property to water related hazards such as flooding?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Discharge into surface waters or other alteration of surface water quality (e.g., temperature, dissolved oxygen or turbidity)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Changes in the amount of surface water in any water body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Changes in currents, or the course or direction of water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations, or through substantial loss of groundwater recharge capability?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Altered direction or rate of flow of groundwater?				
h) Impacts to groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Substantial reduction in the amount of groundwater otherwise available for public water supplies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

V. AIR QUALITY. Would the proposal:

a) Violate any air quality standard or contribute to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Expose sensitive receptors to pollutants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Alter air movement, moisture, or temperature, or cause any change in climate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create objectionable odors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VI. TRANSPORTATION/CIRCULATION. Would the proposal result in:				
a) Increased vehicle trips or traffic congestion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Hazards to safety from design features (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Inadequate emergency access or access to nearby uses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Insufficient parking capacity on-site or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Hazards or barriers for pedestrians or bicyclists?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflicts with adopted policies supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Rail, waterborne or air traffic impacts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VII. BIOLOGICAL RESOURCES. Would the proposal result in impacts to:				
a) Endangered, threatened, or rare species or their habitats (including but not limited to plants, fish, insects, animals, and birds)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Locally designated species (e.g., heritage trees)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Locally designated natural communities (e.g., oak forest, coastal habitat, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Wetland habitat (e.g., marsh, riparian, and vernal pool)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Wildlife dispersal or migration corridors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VIII. ENERGY AND MINERAL RESOURCES. Would the proposal:				
a) Conflict with adopted energy conservation plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Use non-renewable resources in a wasteful and inefficient manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the State?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
IX. HAZARDS. Would the proposal involve:				
a) A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals, or radiation)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Possible interference with an emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) The creation of any health hazard or potential health hazard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Exposure of people to existing sources of potential health hazards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Increased fire hazard in areas with flammable brush, grass, or trees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
X. NOISE. Would the proposal result in:				
a) Increases in existing noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of people to severe noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XI. PUBLIC SERVICES. Would the proposal have an effect upon, or result in a need for new or altered government services in any of the following areas:				
a) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Maintenance of public facilities, including roads?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Other governmental services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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XII. UTILITIES AND SERVICE SYSTEMS. Would the proposal result in a need for new systems or supplies, or substantial alterations to the following utilities:

a) Power or natural gas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Communications systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Local or regional water treatment or distribution facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Sewer or septic tanks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Storm water drainage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Solid waste disposal?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Local or regional water supplies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIII. AESTHETICS. Would the proposal:

a) Affect a scenic vista or scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a demonstrable negative aesthetic effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Create light or glare?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIV. CULTURAL RESOURCES. Would the proposal:

a) Disturb paleontological resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Disturb archaeological resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Affect historical resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have the potential to cause a physical change which would affect unique ethnic cultural values?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Restrict existing religious or sacred uses within the potential impact area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XV. RECREATION. Would the proposal:

a) Increase the demand for neighborhood or regional parks or other recreational facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Affect existing recreational opportunities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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XVI. MANDATORY FINDINGS OF SIGNIFICANCE.

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Authority: Public Resources Code Sections 21083 and 21087.

Reference: Public Resources Code Sections 21080(c), 21080.1, 21080.3, 21082.1, 21083, 21083.3, 21093, 21094, 21151; *Sundstrom v. County of Mendocino*, 202 Cal.App.3d 296 (1988); *Leonoff v. Monterey Board of Supervisors*, 222 Cal.App.3d 1337 (1990).

ANALYSIS & DISCUSSION

EVALUATION OF ENVIRONMENTAL IMPACTS

(Supplement to Environmental Checklist)

The proposal under environmental review is the application to incorporate the planned communities of Rancho Santa Margarita and Rancho Trabuco, including a large portion of O'Neill Regional Park, pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, as amended (Government Code §56000 et seq.). The following discussion and evaluation of potential environmental impacts resulting from the incorporation anticipates consideration by the Local Agency Formation Commission of the inclusion of other surrounding communities in the proposed incorporation boundaries or sphere of influence.

City incorporations do not generally result in significant environmental impacts because they do not alter the physical environment. Under certain circumstances, an incorporation may result in the need for new services, facilities, or housing to accommodate foreseeable future demographic changes. Such cumulative impacts are not expected to result from the proposed incorporation or potential alternative boundaries or sphere of influence. Land uses within Rancho Santa Margarita are governed by a development agreement (DA 87-1) adopted by the Board of Supervisors of Orange County which specifies the allowable land uses and the maximum number of dwelling units. Although there is no development agreement in place for Rancho Trabuco, the planned community is currently at build-out and has no vacant land for development purposes. The incorporation as proposed will, therefore, not result in the need for any new services, facilities, or housing, but will rather result in the transfer of responsibilities for the provision of municipal services among various local agencies. The transfer of responsibilities for services can be found in the attached Table A which lists each public service, the current and planned providers of services, and the methods of service provision.

The Commission will consider alternative incorporation boundaries for the new city to include none, some, or all of the four surrounding communities, and possibly Upper Chiquita Canyon north of Oso Parkway. Each of the surrounding planned communities were subject to environmental review upon adoption of development agreements or general plan amendments by the County of Orange. Coto de Caza, Dove Canyon, and Robinson Ranch each have development agreements in place. The termination date of the development agreements for Coto de Caza (DA 87-8 & EIR 401) and Dove Canyon (DA 87-4 & EIRs 128 and 466) is 2008, while the termination date for the Robinson Ranch agreement (DA 87-12 & EIR 458) was 1994. Currently at build-out, the inclusion of Robinson Ranch in the incorporation boundaries will not result in any significant environmental impact. The smaller developments just south of Robinson Ranch are also not subject to a development agreement but have minimal vacant territory for present or future development. Any change in the County's land use designation for the territory by the new city will be subject to the California Environmental Quality Act (CEQA) of 1970 (Public Resources Code §21000 et seq.).

Also at build-out, Dove Canyon will not result in any significant environmental impact if included in the incorporation boundaries. Development of Coto de Caza is ongoing in accordance with Development Agreement 87-8 and the County's adopted development plan. As with the other surrounding communities, any environmental impacts from changes in land use initiated by the new city will be subject to CEQA and require adequate environmental review at the time they are initiated by the city council. Inclusion of Coto de Caza will, therefore, not result in any significant impact to the environment.

Although there is no development agreement in place for the planned community of Las Flores, Resolution No. 90-1500 approving Land Use Element Amendment 1990-4 was adopted by the Board of Supervisors of Orange County which included a condition that the number of dwelling units in the development shall not exceed 2,500. EIR 506 was prepared and adopted for the proposal and adequately addressed environmental

impacts for the Las Flores development. Any changes to the County's land use and zoning designations by the new city will be subject to CEQA and require adequate environmental review at the time they are initiated by the city council.

Upper Chiquita Canyon, located between Rancho Santa Margarita and Coto de Caza, is currently undeveloped. The area is substantially owned by the Transportation Corridor Agencies and has placed in a conservation easement in perpetuity for biological conservation purposes. Any unforeseeable changes in land use, ownership, or conservation of the territory will require adequate environmental review at that time.

The Commission will also consider inclusion of the surrounding communities, and possibly Upper Chiquita Canyon, in the proposed city's sphere of influence. As described in Government Code §56076, a sphere of influence is "a plan for the probable physical boundaries and service area of a local government agency." Inclusion of a community in the proposed sphere of influence would, therefore, imply that the community is expected to be annexed to the new city at some future time. As described in the above discussion of alternative boundaries for the new city, development agreements, general plan amendments, and previous EIRs adopted by the County would continue to govern land use and public services for the surrounding communities. Any future changes to these would be subject to CEQA. Further, future annexation of a surrounding community or Upper Chiquita Canyon would also be considered a "project" subject to CEQA and require adequate environmental review at that time.

Land use and other local government policies for the new city would not be immediately changed as a result of incorporation. In accordance with Government Code Section 57376, the city council's first official order of business will be to adopt an ordinance succeeding to all applicable county ordinances for a period of at least 120 days following incorporation, or until it enacts ordinances superseding the county ordinances, which ever occurs first. Any impacts from changes initiated by the new city will be subject to CEQA and require adequate environmental review at the time they are initiated by the city council.

The proposed incorporation will result in the loss of unincorporated territory by the County of Orange along with the associated revenues and costs from service provision to the territory. The revenue neutrality provisions, as contained in Government Code Section 56845, require that the incorporation of new cities result in a roughly similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other affected agencies. As part of the requirements for revenue neutrality, the city will transfer revenues to the County for a specified period of time.

I. LAND USE

The proposed incorporation territory consists of the planned communities of Rancho Santa Margarita and Rancho Trabuco and includes a large portion of O'Neill Regional Park. Rancho Trabuco is currently at build-out and has no vacant land available for further development. Land use in Rancho Santa Margarita is governed by Development Agreement 87-1, adopted by the Orange County Board of Supervisors, which has a termination date of 2008. Upon successful incorporation, the city council will be required to immediately adopt the current county ordinances for the communities for an initial 120-day interim period, or until the city council adopts ordinances superseding the county policies, which ever occurs first. These ordinances may be in the form of a general plan, zoning codes, or other policies. The adoption of these ordinances is considered a "project" under CEQA and will be subject to environmental review along with any of the potential land use changes initiated within the general plan.

With development agreements in place for the planned communities of Coto de Caza and Dove Canyon, inclusion of the communities in the proposed incorporation boundaries or sphere of influence will not result in any changes in land use. Robinson Ranch is currently at build-out and will not be subject to any changes in land use if included in the proposed incorporation boundaries or sphere of influence. Las Flores continues to be subject to the conditional approval of Land Use Element Amendment 1990-4, which will continue to remain in effect when the city council adopts the County's current land use ordinances. Any land use changes in the above communities, and Upper Chiquita Canyon, initiated by the new city will be subject to CEQA and require environmental review at that future time. Incorporation will therefore not result in any significant impact to the environment as a result of the transfer of land use authority to the County to the city.

II. POPULATION AND HOUSING

The discussion under "Land Use" above is equally applicable to impacts on population growth and housing factors. The incorporation could only induce population and housing growth indirectly through future city council actions. Again, county policies will remain in effect for the new city for an initial limited period. The city council may take actions affecting population and housing after, or possibly during, the initial period which will nevertheless be subject to the CEQA review process at that time. In areas where development agreements apply or in fully developed areas, future decisions by the city council will be unlikely to significantly affect projected population and housing.

III. GEOLOGIC PROBLEMS

Geologic issues associated with the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any geologic impacts. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant geologic environmental impact. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Geologic issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

IV. WATER

Any significant water-related environmental impacts resulting from the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were adequately addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any water-related impacts. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant water-related environmental impact. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Water issues associated with any unforeseeable changes in land

use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

V. AIR QUALITY

Any significant impact to air quality resulting from the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were adequately addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any air quality impacts. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant environmental impact to air quality. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Air quality issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

VI. TRANSPORTATION/CIRCULATION

Existing major arterials within the proposed incorporation territory and the surrounding communities include the following: North-South: Foothill Transportation Corridor – Highway 241, Antonio Parkway, and Plano Trabuco Road; East-West: Santa Margarita Parkway, Alicia Parkway, Oso Parkway, Los Alisos Boulevard, Melinda Road, Robinson Ranch Road, and Dove Canyon Drive. While most of these arterials are fully built, construction of the Foothill Transportation Corridor – Highway 241 and Antonio Parkway have not yet been completed. Traffic-related impacts (e.g., vehicle trips, congestion, safety, access, and parking) associated with the completion of these two arterials have been addressed in previously adopted EIRs prepared for construction of the arterials, and in the County’s Master Plan of Arterial Highways. Incorporation and possible inclusion of the surrounding communities will not have an impact to the existing transportation/circulation system or plans to complete the system. Future changes in land use initiated by the new city which could possibly increase traffic flows, vehicle trips, or congestion will be subject to CEQA and require adequate environmental review at that time. The Transportation Corridors Agency currently has jurisdictional authority over the proposed extension of the Foothill Transportation Corridor through Chiquita Canyon and would retain this authority following successful incorporation.

VII. BIOLOGICAL RESOURCES

Biological issues associated with the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any biological impacts. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant biological environmental impact. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation

easement in perpetuity for biological conservation purposes. Biological issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

It should be noted that the County's Southern Sub-Region Natural Community Conservation Plan/Habitat Conservation Plan encompasses all of the project territory. The plans are currently in their initial stages and take into consideration the existing and planned developments in the area. No impact to the efforts or progress of the plans will result from the proposed incorporation or inclusion of the surrounding communities in the proposed boundaries or sphere of influence.

VIII. ENERGY AND MINERAL RESOURCES

Energy and mineral issues associated with the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any energy- or mineral-related impacts. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant environmental impact to energy or mineral resources. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Energy and mineral resource issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

IX. HAZARDS

Hazard issues associated with the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any hazard-related impacts. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant hazardous environmental impact. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Hazard issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

X. NOISE

Noise issues associated with the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any noise-related impacts. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result

in any increase in noise or the exposure of people to severe noise levels. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Noise issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

XI. PUBLIC SERVICES

Prior to approval of the proposed incorporation, the Comprehensive Fiscal Analysis presented by the LAFCO Executive Officer must exhibit the financial capacity of the proposed city to provide services to the area at an equal or higher level than the County. Thus, the levels of individual services provided to the area will either remain constant or increase. Significant changes to public services which will occur upon incorporation are limited to shifts in service providers and changes in the level of services provided. Attached to this Initial Study is a table listing each public service, the current and planned providers of services, and the methods of service provision.

CEQA requires environmental documents prepared by the lead agency to address the project's impacts on public services. The Cortese-Knox Act requires LAFCO to prepare a Comprehensive Fiscal Analysis addressing the proposed city's financial ability to provide public services at an acceptable level. Determination of the existence of significant impacts on public services is found in the following subsections.

It is important to emphasize that changes in levels of services are determined primarily by the proposed city's short and long-term financial ability to provide these services at a satisfactory level. A Draft Comprehensive Fiscal Analysis prepared by Economic Planning Systems (EPS) provided a financial analysis of the new city's ability to satisfactorily provide services to its residents. The analysis will serve as the basis for the Executive Officer's Final Comprehensive Fiscal Analysis. LAFCO expects the final analysis to be completed sufficiently prior to the Commission's hearing on the proposal, tentatively scheduled for May 1999.

- a) Fire Protection: The Orange County Fire Authority (OCFA) will continue to provide the area with fire protection services with no expected change in the level of service and no expected change to the current emergency response plan for the area.
- b) Police Protection: The proposed city will contract with the Orange County Sheriff's Department. The community currently receives police protection from the Sheriff's Office on a "per call" basis. Upon incorporation, the new city is expected to receive a higher level of police protection than the level currently being received. There will be no net degradation of police protection services assumed by the new city due to incorporation, and therefore, no significant environmental impact is anticipated.
- d) Maintenance of Public Facilities, Including Roads: The incorporation is expected to have a beneficial impact on the existing public roadway system. The fiscal analysis prepared by EPS for the project proponents indicated that the proposed city will receive enough revenues to increase the amount it will spend per mile of roadway on road maintenance, exceeding current county expenditures. The Final Comprehensive Fiscal Analysis is expected to reach the same conclusions.
- e) Other Governmental Services: The Comprehensive Fiscal Analysis must show that the new

city would be fiscally viable, indicating that public services can be provided at current, or higher, levels of service as they are now provided by the County. As a result, there will be no net degradation of those public services due to incorporation, and no significant environmental impact is anticipated.

XII. UTILITIES AND SERVICE SYSTEMS

All utilities and service systems in the incorporation boundaries and most of the surrounding communities, including Chiquita Canyon, are supplied by the Santa Margarita Water District (water/sewer) and private utility companies. Utilities and service systems in Robinson Ranch and Dove Canyon are supplied by the Trabuco Canyon Water District and private utility companies. No changes in the boundaries of the Santa Margarita Water District or Trabuco Canyon Water District are proposed. Services provided by the districts are also not expected to be affected by the incorporation. Private utility companies will be subject to franchise conditions governed by State Law.

- f) Solid Waste Disposal: The County currently provides this service through a franchise agreement with a private company. Future changes to solid waste disposal services are limited to only changes in the service provider. This would not alter the service, but could result in the service being provided by a different company under a new franchise agreement with the new city.
- g) Local or Regional Water Supplies: The Santa Margarita Water District will continue to provide the area with water and wastewater services funded by user fees and property taxes.

XIII. AESTHETICS

Aesthetic issues associated with the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any impact to the aesthetic qualities of the incorporation area. The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant impact to these qualities. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Aesthetic issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

XIV. CULTURAL RESOURCES

Issues concerning cultural resources associated with the ongoing development of Rancho Santa Margarita (EIR 320), Coto de Caza (EIR 401), and Las Flores (EIR 506) were addressed in the respective EIRs prepared by the County for development of those planned communities. Substantially built-out, inclusion of Rancho Trabuco, Dove Canyon, and Robinson Ranch within the incorporation boundaries or sphere of influence will not result in any impact to cultural resources.

The incorporation of the proposed territory, and possible inclusion of the surrounding communities in the proposed boundaries or sphere of influence, will not result in any physical change in the environment, and therefore, will not result in any significant environmental impact to cultural resources. The territory in Upper Chiquita Canyon is under the ownership of the Transportation Corridor Agencies and has been placed in a conservation easement in perpetuity for biological conservation purposes. Cultural resource issues associated with any unforeseeable changes in land use, ownership, or conservation of the territory will need to be addressed at the time any proposed changes to the area are initiated.

XV. RECREATION

- b) Existing Recreational Opportunities: Existing non-regional parks in the proposed city are all currently privately owned and operated by homeowners associations (e.g., Santa Margarita Landscape and Recreation Corporation) with Irrevocable Offers of Dedication (IODs) to County. This is consistent with the County's "de facto" policy to require planned community development plans to contain dedicated local park sites. There are presently nine IODs in Rancho Santa Margarita and four IODs in Rancho Trabuco. All IODs for local parks in the new city would be transferred from the County to the city. The County is expected to continue to operate regional parks and recreation facilities within city boundaries (e.g., O'Neill Regional Park), funded by property tax revenues through the County's Harbors, Beaches, and Parks District. Any future changes to the County's current open space designations for these regional parks would be subject to CEQA and require adequate environmental review at that time. No net degradation to existing recreational opportunities is therefore expected to occur from incorporation. Any changes in recreational opportunities are expected to result in an increase in service levels.

XVI. MANDATORY FINDINGS OF SIGNIFICANCE

Throughout the text of this Initial Study, frequent reference has been made to the correlation between the incorporation territory being governed by development agreements or substantially built-out and the absence of significant environmental impacts as a result of the project. The correlation is applicable to the following mandatory findings of significance as well.

- a) The project does not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory.
- b) The project does not have the potential to achieve short-term, to the disadvantage of long-term, environmental goals.
- c) The project does not have impacts that are individually limited, but cumulatively considerable.
- d) The project does not have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

Initial Study Participation:

Peter Banning, Consultant to the Orange County Local Agency Formation Commission
Kenneth Lee, Public Policy Analyst, Orange County Local Agency Formation Commission

TRANSFER OF SERVICE RESPONSIBILITY

Public Service	Current Provider	Post-Incorporation Provider	Method
General Government			
Governing Board	County of Orange	City	In-House or Contract
Manager	County of Orange	City	In-House or Contract
Attorney	County of Orange	City	In-House or Contract
Clerk/Finance	County of Orange	City	In-House or Contract
Public Protection			
Law Enforcement	County of Orange	City	Contract w/ County Sheriff
Traffic Enforcement	California Highway Patrol	City	Contract w/ County Sheriff
Fire Protection	Orange County Fire Authority	Orange County Fire Authority	City Join OCFA
Animal Control	County of Orange	City	Contract w/ County or Other City
Community Services			
Recreation Programs	Private Organization	Private Organization / City Events	City Sponsor Some Events
Local Parks / Recreation Facilities	SAMLARC	SAMLARC	Private Master Association
Regional Park Services (O'Neill)	County of Orange	County of Orange	As Currently Provided
Library	County of Orange	County of Orange	As Currently Provided
Public Works / Public Utilities			
Streets and Highways	County of Orange	City	Contract w/ County or Private Firm
Domestic Water	Santa Margarita Water District	Santa Margarita Water District	Current Special District
Waste Water Treatment / Disposal	Santa Margarita Water District	Santa Margarita Water District	Current Special District
Solid Waste Management / Disposal	County of Orange / Private Firm	City	Contract w/ Private Firm
Flood Control	County of Orange	County of Orange	Current Special District
Street Lighting	County of Orange	County of Orange	Current Special District

Table A

Public Education

K-12 Grade Levels	Saddleback Valley School District	Saddleback Valley School District	As Currently Provided
	Capistrano Valley School District	Capistrano Valley School District	As Currently Provided

Other Services

Electricity	Southern California Edison	Southern California Edison	Franchise Agreement w/ City
Gas	Southern California Gas	Southern California Gas	Franchise Agreement w/ City

Table A